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IN THE SENATE

SENATE BILL NO. 1418

BY FINANCE COMMITTEE

AN ACT

REDUCING THE APPROPRIATION TO THE PUBLIC SCHOOL INCOME FUND FOR FISCAL YEAR 2010; APPROPRIATING ADDITIONAL MONEYS TO THE PUBLIC SCHOOL INCOME FUND FOR FISCAL YEAR 2010; REDUCING THE APPROPRIATION TO THE EDUCATIONAL SUPPORT PROGRAM/DIVISION OF OPERATIONS FOR FISCAL YEAR 2010; APPROPRI-ATING ADDITIONAL MONEYS TO THE EDUCATIONAL SUPPORT PROGRAM/DIVISION OF OPERATIONS FOR FISCAL YEAR 2010; STATING FUND SOURCES FOR THE APPROPRI-ATION FOR PUBLIC SCHOOLS FOR FISCAL YEAR 2011; APPROPRIATING MONEYS FOR THE TRANSFER TO THE PUBLIC SCHOOL INCOME FUND; APPROPRIATING MONEYS TO THE EDUCATIONAL SUPPORT PROGRAM/DIVISION OF ADMINISTRATORS FOR FISCAL YEAR 2011; APPROPRIATING MONEYS TO THE EDUCATIONAL SUPPORT PROGRAM/DI-VISION OF TEACHERS FOR FISCAL YEAR 2011; APPROPRIATING MONEYS TO THE EDUCATIONAL SUPPORT PROGRAM/DIVISION OF OPERATIONS FOR FISCAL YEAR 2011; APPROPRIATING MONEYS TO THE EDUCATIONAL SUPPORT PROGRAM/DIVISION OF CHILDREN'S PROGRAMS FOR FISCAL YEAR 2011; APPROPRIATING MONEYS TO THE EDUCATIONAL SUPPORT PROGRAM/DIVISION OF FACILITIES FOR FISCAL YEAR 2011; TRANSFERRING \$14,400,000 FROM THE GENERAL FUND TO THE BOND LEVY EQUALIZATION FUND; LIMITING THE AMOUNT OF REVENUE DISTRIBUTED TO THE GENERAL FUND; APPROPRIATING MONEYS TO THE EDUCATIONAL SUPPORT PROGRAM/DIVISION OF EDUCATIONAL SERVICES FOR THE DEAF AND THE BLIND FOR FISCAL YEAR 2011; EXPRESSING LEGISLATIVE INTENT THAT CERTAIN STATE FUNDED BENEFITS BE PAID; EXPRESSING LEGISLATIVE INTENT RELATING TO UNEMPLOYMENT INSURANCE; AMENDING SECTION 33-1004E, IDAHO CODE, TO PROVIDE FOR DECREASES IN BASE SALARIES, MINIMUM SALARY AND MASTER TEACHER AWARDS; DIRECTING THAT \$754,300 BE DISTRIBUTED FOR THE REPLACE-MENT OF CERTAIN LEVY FUNDS; PROVIDING THAT THE FUNDS FROM THE SCHOOL DISTRICT BUILDING ACCOUNT BE USED AS DISCRETIONARY FUNDS; PROVIDING THAT \$7,481,400 OF TOBACCO, CIGARETTE AND LOTTERY INCOME TAX FUNDS AND \$3,300,000 OF DRIVER'S TRAINING FUNDS BE USED AS DISCRETIONARY FUNDS; PROVIDING THAT NO MONEYS BE APPROPRIATED DIRECTLY FOR THE EXPECTANT OR DELIVERED MOTHERS PROGRAM; PROVIDING AN ESTIMATE OF DISCRETIONARY FUNDS PER SUPPORT UNIT AND PLACING RESTRICTIONS ON THE USE OF DISCRE-TIONARY FUNDS; PROVIDING FOR A TEN PERCENT REDUCTION IN TRANSPORTATION COSTS; DIRECTING THE USE OF \$318,600 OF TOBACCO, CIGARETTE AND LOTTERY INCOME TAX MONEYS; DIRECTING THE USE OF SAFE AND DRUG-FREE SCHOOLS MONEYS; DIRECTING THE USE OF \$9,400,000 FOR CHILDREN'S PROGRAMS AND TECHNOLOGY INITIATIVES; DIRECTING THE USE OF \$4,000,000 FOR LIMITED ENGLISH PROFICIENCY PROGRAMS; DIRECTING THE USE OF \$5,000,000 FOR THE IDAHO DIGITAL LEARNING ACADEMY; GRANTING THE AUTHORITY TO TRANSFER FUNDS AMONG FIVE DIVISIONS OF THE EDUCATIONAL SUPPORT PROGRAM; RE-LIEVING THE STATE OF THE REQUIREMENT TO PROVIDE SCHOOL MAINTENANCE MATCHING FUNDS; GRANTING THE AUTHORITY TO DEPOSIT FUNDS INTO CERTAIN RESERVE ACCOUNTS; AMENDING SECTION 33-1004A, IDAHO CODE, RESTRICTING MOVEMENT FOR EXPERIENCE AND EDUCATION ON THE MULTIPLIER TABLE; AMENDING SECTION 33-1006, IDAHO CODE, TO REVISE SPECIFIC TRANSPORTATION COSTS AS

NONREIMBURSABLE; DECLARING THAT CERTAIN PROVISIONS OF SECTION 33-522, 1 IDAHO CODE, ARE MET FOR ALL SCHOOL DISTRICTS; PROVIDING THAT THE CONDI-2 TIONS OF SECTION 33-522, IDAHO CODE, SATISFY THE CONDITIONS OF SECTION 33-515(3), IDAHO CODE; DIRECTING THE USE OF CERTAIN FISCAL YEAR 2010 APPROPRIATIONS; AND DECLARING AN EMERGENCY. 5

Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. Notwithstanding any other provision of law to the contrary, 8 the amount appropriated and transferred to the Public School Income Fund in Section 2, Chapter 272, Laws of 2009, is hereby reduced by the following 9 amount from the listed fund for the period July 1, 2009, through June 30, 10 2010: 11 12 FROM:

General Fund 13 \$82,771,300

SECTION 2. In addition to the amount appropriated and transferred to 14 the Public School Income Fund in Section 2, Chapter 272, Laws of 2009, there 15 is hereby appropriated and transferred the following amount from the listed 16 fund for the period July 1, 2009, through June 30, 2010: 17

FROM: 18

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Public Education Stabilization Fund 19

\$49,255,500

SECTION 3. Notwithstanding any other provision of law to the contrary, 20 the amount appropriated to the Educational Support Program/Division of Op-21 erations in Section 3, Chapter 272, Laws of 2009, is hereby reduced by the 22 23 following amount from the listed fund for the period July 1, 2009, through June 30, 2010: 24

FROM: 25

Public School Income Fund 26

\$33,515,800

SECTION 4. In addition to the appropriation made in Section 3, Chapter 27 272, Laws of 2009, there is hereby appropriated to the Educational Support 28 Program/Division of Operations the following amount to be expended from the 29 listed fund for the period July 1, 2009, through June 30, 2010: 30

FROM: 31

32 American Reinvestment Fund \$33,515,800

SECTION 5. The following amount shall be expended from state sources 33 for the Educational Support Program for the period July 1, 2010, through June 34 30, 2011: 35

FROM: 36

37	General Fund	\$1,214,280,400
38	Bond Levy Equalization Fund	3,500,000
39	School District Building Fund	17,125,000
40	Driver's Training Fund	3,300,000
41	American Reinvestment Fund	7,406,300
42	Miscellaneous Revenue	184,200

1 2 3 4 5 6 7	Public Schools Other Income School for the Deaf and the Blind Endowment Cigarette, Tobacco and Lottery Income Taxes Public Education Stabilization Fund Public School Endowment Earnings Reserve Fund Transfer Federal Grant TOTAL	5,000,000 98,800 7,800,000 754,300 53,292,400 269,587,100 \$1,582,328,500	
8 9 10 11 12	SECTION 6. Notwithstanding the provisions of Sections 33-907, 33-1018, 33-1018A and 33-1018B, Idaho Code, there is hereby appropriated the following amounts to be transferred to the Public School Income Fund for the period July 1, 2010, through June 30, 2011: FROM:		
13 14 15	General Fund Public Education Stabilization Fund TOTAL	\$1,199,880,400	
16 17 18 19 20	SECTION 7. There is hereby appropriated to the Educational Support Program/Division of Administrators, pursuant to law and the provisions of this act, the following amount to be expended from the listed funds for the period July 1, 2010, through June 30, 2011: FROM:		
21 22 23	Public School Income Fund American Reinvestment Fund TOTAL	\$76,138,900 <u>434,500</u> \$76,573,400	
24 25 26 27 28	SECTION 8. There is hereby appropriated to the Educational Support Program/Division of Teachers, pursuant to law and the provisions of this act, the following amount to be expended from the listed funds for the period July 1, 2010, through June 30, 2011: FROM:		
29 30 31 32	Public School Income Fund American Reinvestment Fund Federal Grant Fund TOTAL	\$684,694,100 3,921,800 30,000,000 \$718,615,900	
33 34 35 36	SECTION 9. There is hereby appropriated to the Educational Support Program/Division of Operations, pursuant to law and the provisions of this act, the following amount to be expended from the listed funds for the period July 1, 2010, through June 30, 2011:		
37 38	FROM: Public School Income Fund	\$473,112,500	
39	School District Building Fund	17,125,000	
40	Driver's Training Fund	3,300,000	
41	American Reinvestment Fund	3,050,000	
42	Federal Grant Fund	<u>8,000,000</u>	
43	TOTAL	\$504,587,500	

SECTION 10. There is hereby appropriated to the Educational Support Program/Division of Children's Programs pursuant to law and the provisions of this act, the following amount to be expended from the listed funds for the period July 1, 2010, through June 30, 2011:

5 FROM:

6 Public School Income Fund \$25,702,900
7 Federal Grant Fund 231,383,000
8 TOTAL \$257,085,900

9 SECTION 11. There is hereby appropriated to the Educational Support 10 Program/Division of Facilities, pursuant to law and the provisions of this 11 act, the following amount to be expended from the listed funds for the period 12 July 1, 2010, through June 30, 2011:

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 General Fund
 \$14,400,000

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 Bond Levy Equalization Fund
 3,500,000

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 TOTAL
 \$17,900,000

SECTION 12. Of the General Fund moneys appropriated in Section 11 of this act to support the provisions of Section 33-906, Idaho Code, \$14,400,000 is hereby transferred from the General Fund to the Bond Levy Equalization Fund.

SECTION 13. The provisions of subsection (4) of Section 63-2520, Idaho Code, notwithstanding, the amount of revenue distributed to the General Fund shall be \$14,400,000 for the period July 1, 2010, through June 30, 2011.

SECTION 14. There is hereby appropriated to the Educational Support Program/Educational Services for the Deaf and the Blind, pursuant to law and the provisions of this act, the following amount to be expended from the listed funds for the period July 1, 2010, through June 30, 2011:

28 FROM:

29 Public School Income Fund \$7,078,700
30 Miscellaneous Revenue 184,200
31 School for the Deaf and the Blind Endowment 98,800
32 Federal Grant Fund 204,100
33 TOTAL \$7,565,800

SECTION 15. It is legislative intent that public school employee benefits paid by the state, pursuant to Section 33-1004F, Idaho Code, be paid for all eligible employees that a school district or charter school actually employs with its salary-based apportionment allotment, regardless of whether such employees are categorized as administrative, instructional or classified staff.

SECTION 16. Of the moneys appropriated in Section 3 of this act, the amount necessary for the Unemployment Insurance Program shall be expended according to Section 72-1349A, Idaho Code, for the period July 1, 2010, through June 30, 2011.

SECTION 17. That Section 33-1004E, Idaho Code, be, and the same is hereby amended to read as follows:

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33-1004E. DISTRICT'S SALARY-BASED APPORTIONMENT. Each district shall be entitled to a salary-based apportionment calculated as provided in this section.

- To determine the apportionment for instructional staff, first determine the district average experience and education index by placing all eligible district certificated instructional employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the 1994-95 school year, and shall receive their actual index but not more than the state average plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district instructional staff index shall be multiplied by the instructional base salary of \$24,56723,565. The amount so determined shall be multiplied by the district staff allowance for instructional staff determined as provided in section 33-1004(2), Idaho Code. The instructional salary allocation shall be further increased by the amount necessary for each full-time equivalent instructional staff member placed on the experience and education index to be allocated at least the minimum salary mandated by this section. Full-time instructional staff salaries shall be determined from a salary schedule developed by each district and submitted to the state department of education. No full-time instructional staff member shall be paid less than \$30,91529,655. If an instructional staff member has been certified by the national board for professional teaching standards, the staff member shall be designated as a master teacher and receive \$2,000 per year for five (5) years. instructional salary shall be increased by \$2,000 for each master teacher provided however, that no such awards shall be paid for the period July 1, 2010, through June 30, 2011, nor shall any liabilities accrue or payments be made pursuant to this section in the future to any individuals who would have otherwise qualified for a payment during this stated time period. The resulting amount is the district's salary-based apportionment for instructional staff. For purposes of this section, teachers qualifying for the salary increase as master teacher shall be those who have been recognized as national board certified teachers as of July 1 of each year.
- 2. To determine the apportionment for district administrative staff, first determine the district average experience and education index by placing all eligible certificated administrative employees on the statewide index provided in section 33-1004A, Idaho Code. The resulting average is the district index. Districts with an index above the state average index shall receive their actual index but not more than the state average plus .03 for the school year 1994-95, and shall receive their actual index but not more than the state average index plus .06 for the 1995-96 school year, and thereafter shall receive their actual district index. The district administrative staff index shall be multiplied by the base salary of \$34,70532,441. The amount so determined shall be multiplied by the district staff allowance for administrative staff determined as provided in section

33-1004(3), Idaho Code. The resulting amount is the district's salary-based apportionment for administrative staff.

- 3. To determine the apportionment for classified staff, multiply $$\frac{19,840}{19,041}$ by the district classified staff allowance determined as provided in section 33-1004(4), Idaho Code. The amount so determined is the district's apportionment for classified staff.
- 4. The district's salary-based apportionment shall be the sum of the apportionments calculated in subsections 1., 2. and 3., of this section, plus the benefit apportionment as provided in section 33-1004F, Idaho Code.

SECTION 18. Of the moneys appropriated in Section 8 of this act, the Superintendent of Public Instruction shall distribute \$754,300 to school districts, allocated according to the same proportions as the moneys distributed in fiscal year 2007, pursuant to Section 63-3638(10), Idaho Code, for the replacement of school maintenance and operation levy funds.

SECTION 19. Notwithstanding the provisions of Sections 33-905 and 33-1019, Idaho Code, for the period July 1, 2010, through June 30, 2011, all moneys appropriated from the School District Building Account shall be distributed as discretionary funds and school districts and charter schools are hereby relieved of any restrictions on the use of such funds, apart from restrictions that apply to the use of discretionary funds.

SECTION 20. Notwithstanding the provisions of any law to the contrary, of the moneys appropriated in Section 3 of this act, up to \$7,481,400 from funds determined by available Tobacco, Cigarette and Lottery income tax revenues accruing pursuant to Sections 63-2506, 63-2552A and 67-7439, Idaho Code, and \$3,300,000 from revenues accruing to the Driver's Training Fund pursuant to Sections 49-306(8)(g) and (i) and 49-307, Idaho Code, for the period July 1, 2010, through June 30, 2011, shall be distributed as discretionary funds, and school districts and charter schools are hereby relieved of any restrictions on the use of such funds, apart from restrictions that apply to the use of discretionary funds.

SECTION 21. No moneys shall be distributed for programs for expectant or delivered mothers for the period July 1, 2010, through June 30, 2011, the provisions of Sections 33-1002, 33-2006 and 33-2007, Idaho Code, notwithstanding.

SECTION 22. Pursuant to the provisions of Section 33-1018, Idaho Code, it is estimated that the appropriation of state funds to the Educational Support Program/Division of Operations will result in total discretionary funds of \$21,795 per support unit. Notwithstanding the provisions of any law to the contrary, for the period July 1, 2010, through June 30, 2011, discretionary funds shall not be used to augment an employee's salary or wages above those which were received during the previous year at the same school district or charter school. School districts shall report to the Superintendent of Public Instruction as to how state appropriated discretionary funds were expended during the period July 1, 2010, through June 30, 2011, in a format prescribed by the Superintendent of Public

Instruction. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee and the House and Senate Education Committees by no later than February 1, 2012, on school district uses of state appropriated discretionary funds.

SECTION 23. Notwithstanding the provisions of Section 33-1006, Idaho Code, for the period July 1, 2010, through June 30, 2011, the total moneys paid to school districts for eligible transportation costs shall be reduced by ten percent (10%).

SECTION 24. Of the moneys appropriated in Section 3 of this act, \$318,600 from funds determined by available revenues accruing pursuant to Sections 63-2506 and 63-2552A, Idaho Code, and other such moneys that may become available pursuant to Idaho laws, for the period July 1, 2010, through June 30, 2011, shall be distributed as follows: the provisions of Section 63-2552A(3), Idaho Code, notwithstanding, \$200,000 shall be remitted to the Idaho State Police; \$40,000 may be utilized by the Superintendent of Public Instruction for program administration, technical assistance and evaluation; and up to \$78,600 in grants may be authorized to the Commission on Hispanic Affairs.

SECTION 25. It is legislative intent that school districts continuing to use discretionary funds for safe and drug-free purposes may include the following:

- (1) Prevention programs, student assistance programs that address early identification and referral, and aftercare.
- (2) An advisory board to assist each district in making decisions relating to their program.

Of the moneys appropriated in Section 3 of this act, \$9,400,000 shall be used for literacy programs, as outlined in Sections 33-1207A(2), 33-1614 and 33-1615, Idaho Code, remedial coursework for students failing to achieve proficiency in the Idaho Standards Achievement Test and to fund computerized remediation services to schools, and math initiative efforts, in dollar amounts determined by the Superintendent of Public Instruction. Of this amount, up to \$120,000 may be expended by the Superintendent of Public Instruction for staff support related to the implementation and coordination of technology initiatives in public schools, including the state's longitudinal data project. It is legislative intent that the State Board of Education and State Department of Education coordinate federally funded literacy programs with state literacy programs, resulting in well-coordinated, complementary literacy efforts. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee and the House and Senate Education Committees, by no later than February 1, 2012, on the uses of funds and effectiveness of the programs and efforts.

SECTION 27. Of the moneys appropriated in Section 3 of this act, \$4,000,000 shall be distributed for support of programs for students with non-English or limited English proficiency, as follows:

(1) The State Department of Education shall distribute \$3,500,000 to school districts pro rata, based upon the population of limited English proficient students under criteria established by the department.

- (2) The State Department of Education shall use \$500,000 to continue the competitive grant program for school districts in which the population of English language learners failed to meet Adequate Yearly Progress (AYP) in math or reading, as defined in federal law. Of this amount, \$450,000 shall be distributed annually to school districts in three (3) year grant cycles, in which the recipients will receive full grant awards each of the three (3) years, contingent on appropriation. The remaining \$50,000 will be used for evaluation and administration of the program.
- (3) The department shall develop the program elements governing the use of these funds, modeled on the training, intervention and remediation elements of the literacy program described in Section 26 of this act. The purpose of these funds is to improve the English language skills of English language learners, to enable such students to better access the educational opportunities offered in public schools. The Superintendent of Public Instruction shall report to the Joint Finance-Appropriations Committee and the House and Senate Education Committees by no later than February 1, 2012, on the program design, uses of funds and effectiveness of the program.
- SECTION 28. Notwithstanding Section 33-1020, Idaho Code, the Idaho Digital Learning Academy (IDLA), created pursuant to Chapter 55, Title 33, Idaho Code, shall utilize state appropriated funds not to exceed \$5,000,000 for the period July 1, 2010, through June 30, 2011, to achieve the following:
- (1) Tuition charged by IDLA to Idaho students shall not increase by more than \$50.00 per enrollment.
- (2) Provide remedial coursework for students failing to achieve proficiency in one (1) or more areas of the Idaho Standards Achievement Test.
- (3) Pursuant to the fiscal impact statement for the State Board of Education rule, IDAPA 08.02.03, Docket Number 08-0203-0605, provide advanced learning opportunities for students.
- (4) Pursuant to State Board of Education rule, IDAPA 08.02.03, Docket Number 08-0203-0605, work with institutions of higher education to provide dual credit coursework. The preceding list shall not be construed as excluding other instruction and training that may be provided by the Idaho Digital Learning Academy.
- SECTION 29. The State Department of Education is hereby granted the authority to transfer funds between the Administrators, Teachers, Operations, Children's Programs, and Facilities divisions of the Educational Support Program budget, in any amount necessary, to comply with the public school funding provisions of appropriations and the Idaho Code.
- SECTION 30. The provisions of Sections 33-1018B and 33-1019, Idaho Code, notwithstanding, for the period July 1, 2010, through June 30, 2011, only, the state is hereby temporarily relieved from the requirement to provide its portion of the school maintenance matching funds normally required by such sections, nor shall school districts be required to make up such portion that would otherwise be provided by the state.

SECTION 31. The Idaho Bureau of Educational Services for the Deaf and the Blind may deposit General Funds appropriated in Section 1, Chapter 204, Laws of 2009, into a contingency reserve fund created pursuant to Section 33-3409, Idaho Code. If such deposit of funds exceeds the amount that may be deposited in the contingency fund, pursuant to the provisions of Section 33-3409, then those funds shall be deposited into the Public Education Stabilization Fund.

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SECTION 32. That Section 33-1004A, Idaho Code, be, and the same is hereby amended to read as follows:

33-1004A. EXPERIENCE AND EDUCATION MULTIPLIER. Each instructional and administrative staff position shall be assigned an appropriate multiplier based upon the following table:

EXPERIENCE AND EDUCATION 13 14 MA MA + 12MA + 24MA + 36Years 15 BA + 24BA + 36 BA + 48 BA + 60ES/DR ВΑ BA + 1216 1.00000 1.03750 1.07640 1.11680 1.15870 1.20220 1.24730 1 17 1.03750 1.07640 1.11680 1.15870 1.20220 1.24730 1.29410 2 18 1.07640 1.11680 1.15870 1.20220 1.24730 1.29410 1.34260 3 19 1.11680 1.15870 1.20220 1.24730 1.29410 1.34260 1.39290 4 20 1.15870 1.20220 1.24730 1.29410 1.34260 1.39290 1.44510 5 21 1.20220 1.24730 1.29410 1.34260 1.39290 1.44510 1.49930 6 22 1.24730 1.29410 1.34260 1.39290 1.44510 1.49930 1.55550 7 23 1.29410 1.34260 1.39290 1.44510 1.49930 1.55550 1.61380 8 24 1.34260 1.39290 1.44510 1.49930 1.55550 1.61380 1.67430 9 25 1.39290 1.44510 1.49930 1.55550 1.61380 1.67430 1.73710 10 26 1.39290 1.49930 1.55550 1.61380 1.67430 1.73710 1.80220 11 27 1.39290 1.49930 1.55550 1.61380 1.73710 1.80220 1.86980 12 28 1.39290 1.49930 1.55550 1.61380 1.73710 1.86980 1.93990 13 or 29 30 more

In determining the experience factor, the actual years of teaching or administrative service in a public school, in an accredited private or parochial school, or beginning in the 2005-06 school year and thereafter in an accredited college or university shall be credited, minus $\frac{1}{2}$ two ($\frac{1}{2}$); provided however, that the experience factor cannot be less than zero (0).

2.01260

1.39290 1.49930 1.55550 1.61380 1.73710 1.86980

In determining the education factor, only credits earned after initial certification, based upon a transcript on file with the teacher certification office of the state department of education, earned at an institution of higher education accredited by the state board of education or a regional accrediting association, shall be allowed. Instructional staff whose initial certificate is an occupational specialist certificate shall be treated as BA degree prepared instructional staff. Credits earned by such occupational specialist instructional staff after initial certification shall be credited toward the education factor. For the time period July 1, 2010, through June 30, 2011, instructional and administrative staff shall not advance on the education portion of the multiplier table.

In determining the statewide average multiplier for instructional staff, no multiplier in excess of 1.59092 shall be used. If the actual statewide average multiplier for instructional staff, as determined by this section, exceeds 1.59092, then each school district's instructional staff multiplier shall be multiplied by the result of 1.59092 divided by the actual statewide average multiplier for instructional staff.

In determining the statewide average multiplier for administrative staff, no multiplier in excess of 1.86643 shall be used. If the actual statewide average multiplier for administrative staff, as determined by this section, exceeds 1.86643, then each school district's administrative staff multiplier shall be multiplied by the result of 1.86643 divided by the actual statewide average multiplier for administrative staff.

SECTION 33. That Section 33-1006, Idaho Code, be, and the same is hereby amended to read as follows:

- 33-1006. TRANSPORTATION SUPPORT PROGRAM. (1) The state board of education shall determine what costs of transporting pupils, including maintenance, operation and depreciation of basic vehicles, insurance, payments under contract with other public transportation providers whose vehicles used to transport pupils comply with federal transit administration regulations, "bus testing," 49 C.F.R. part 665, and any revision thereto, as provided in subsection (4) (d) of this section, or other state department of education approved private transportation providers, salaries of drivers, and any other costs, shall be allowable in computing the transportation support program of school districts. Provided however, that the only miles for which costs may be reimbursed, shall be those directly associated with transporting students for the purposes of regular school attendance during regular days and hours, or for approved school activities as provided in subsection (4) of this section.
- (2) Any costs associated with the addition of vehicle features that are not part of the basic vehicle shall not be allowable in computing the transportation support program of school districts. A basic vehicle is hereby defined as the cost of the vehicle without optional features, plus the addition of essential safety features and features necessary for the transportation of pupils with disabilities.
- (3) Each school district shall maintain records and make reports as are required for the purposes of this section.
- (4) The transportation support program of a school district shall be based upon the allowable costs of:
 - (a) Transporting public school pupils one and one-half $(1\ 1/2)$ miles or more to school;
 - (b) Transporting pupils less than one and one-half $(1\ 1/2)$ miles as provided in section 33-1501, Idaho Code, when approved by the state board of education;

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- (c) The costs of payments when transportation is not furnished, as provided in section 33-1503, Idaho Code;
- (d) The transportation program for grades six (6) through twelve (12), upon the costs of payments pursuant to a contract with other public or private transportation providers entered into as provided in section 33-1510, Idaho Code, if the school district establishes that the reimbursable costs of transportation under the contract are equal to or less than the costs for school buses;
- (e) The costs of providing transportation to and from approved school activities as may be approved by rules of the state board of education;
- (f) The employer's share of contributions to the public employee retirement system and to social security.
- (5) The state's share of the transportation support program shall be fifty percent (50%) of reimbursable transportation costs of the district incurred during the immediately preceding state fiscal year, except for the cost of state department of education training and fee assessments and bus depreciation and maintenance, for which the state's share shall be eighty-five percent (85%) of such costs. For school districts that contract for pupil transportation services, the state's share shall be the average state share of costs for district-run operations, based on the statewide total of such costs. Provided however, that the reimbursable costs for any school district shall not exceed one hundred three percent (103%) of the statewide average reimbursable cost per mile or the state average reimbursable cost per student rider, whichever is more advantageous to the school district. If a school district's costs exceed the one hundred three percent (103%) limit when computed by the more advantageous of the two (2) methods, that school district shall be reimbursed at the appropriate percentage designated by this subsection, multiplied by the maximum limit for whichever method is more favorable to the school district. A school district may appeal the application of the one hundred three percent (103%) limit on reimbursable costs to the state board of education, which may establish for that district a new percentile limit for reimbursable costs compared to the statewide average, which is higher than one hundred three percent (103%). In doing so, the state board of education may set a new limit that is greater than one hundred three percent (103%), but is less than the percentile limit requested by the school district. However, the percentage increase in the one hundred three percent (103%) cap shall not exceed the percentage of the district's bus runs that qualify as a hardship bus run, pursuant to this subsection. Any costs above the new level established by the state board of education shall not be reimbursed. Such a change shall only be granted by the state board of education for hardship bus runs. To qualify as a hardship bus run, such bus run shall meet at least two (2) of the following criteria:
 - (a) The number of student riders per mile is less than fifty percent (50%) of the statewide average number of student riders per mile;
 - (b) Less than a majority of the miles on the bus run are by paved surface, concrete or asphalt, road;
 - (c) Over ten percent (10%) of the miles driven on the bus run are a five percent (5%) slope or greater.

The legislative audits section of the legislative services office shall review cap increases granted by the state board of education pursuant to this

section, and shall include findings in the board's regular audit report for any instances in which such increases failed to meet the standards set forth in this subsection.

- (6) Beginning on July 1, 2005, any eligible home-based public virtual school may claim transportation reimbursement for the prior fiscal year's cost of providing educational services to students. In order to be eligible, such a school shall have at least one (1) average daily attendance divisor, pursuant to section 33-1002, Idaho Code, that is greater than the median divisor shown for any category of pupils, among the actual divisors listed. For the purposes of paragraphs (a), (b) and (c) of this subsection (6), "education provider" means the home-based public virtual school or an entity that has legally contracted with the home-based public virtual school to supply education services. Reimbursable costs shall be limited to the costs of:
 - (a) Providing an internet connection service between the student and the education provider, not including the cost of telephone service;
 - (b) Providing electronic and computer equipment used by the student to transmit educational material between the student and the education provider;
 - (c) Providing a toll-free telephone service for students to communicate with the education provider;
 - (d) Providing education-related, face-to-face visits by representatives of the home-based public virtual school, with such reimbursements limited to the mileage costs set for state employee travel by the state board of examiners; and
 - (e) Any actual pupil transportation costs that would be reimbursable if claimed by a school district.

The total reimbursement for such home-based public virtual schools shall be exempt from the statewide average cost per mile limitations of this section. The state's share of reimbursable costs shall be eighty-five percent (85%), subject to the statewide cost per student rider provisions of this section. For the purposes of such home-based public virtual school, the number of student riders shall be the same as the number of pupils in average daily attendance.

- (7) The state department of education shall calculate the amount of state funds lost in fiscal year 2010 by each school district as a result of the decrease in the state reimbursement from eighty-five percent (85%) to fifty percent (50%) of certain eligible costs, including the reduction calculated for districts that contract for pupil transportation services, and excluding any reductions made due to the limitation on reimbursable expenses, all pursuant to subsection (5) of this section. The amount so calculated shall be distributed to each school district in fiscal year 2010. For each fiscal year thereafter, the amount distributed pursuant to this subsection (7) for each school district shall be determined as follows:
 - (a) Divide the amount distributed to the district pursuant to this subsection (7) in fiscal year 2010 by the district's support units for fiscal year 2010;
 - (b) Multiply the result of the calculation found in subsection (7) (a) of this section by the number of support units in the current fiscal year;

- (c) Determine the percentage change in statewide transportation reimbursements as provided for in subsection (5) of this section since fiscal year 2010;
- (d) Determine the percentage change in statewide student enrollment since fiscal year 2010;
- (e) Subtract the result of the calculation found in subsection (7) (d) of this section from the result of the calculation found in subsection (7) (c) of this section;
- (f) Adjust the result of the calculation found in subsection (7) (b) of this section by the percentage result from subsection (7) (e) of this section.

For school districts divided after fiscal year 2010, the calculation in subsection (7) (a) of this section shall still be based on the fiscal year 2010 figures for the formerly consolidated district. For public charter schools beginning operations on or after July 1, 2009, all calculations in this subsection (7) that are based on fiscal year 2010 shall instead be based on the public charter school's first fiscal year of operations. For the purposes of this subsection (7), the support units used shall be the number used for calculating salary-based apportionment. Funds distributed pursuant to this subsection (7) shall be used to defray the cost of pupil transportation. If the amount distributed is in excess of a school district's actual pupil transportation costs, less any state reimbursements provided by subsection (5) of this section, the excess funds may be used at the school district's discretion.

SECTION 34. The Idaho Legislature declares that the conditions and intent of subsection (2), paragraphs (a), (b) and (c), Section 33-522, Idaho Code, are met for all Idaho school districts for the contract year 2010-2011, and therefore, notwithstanding the provisions of Section 33-522(2)(f), Idaho Code, financial emergency status is declared for all school districts for the purposes of reopening the salary and benefits compensation aspects of the negotiated agreement, including the length of the certificated employee contracts and the amount of compensation and benefits; and if the parties to the negotiated agreement mutually agree, reopen other matters contained within the negotiated agreement directly affecting the financial circumstances in the school district in accordance with subsections (3), (4), (5) and (6) of Section 33-522, Idaho Code.

SECTION 35. The Idaho Legislature declares that the financial emergency declared in Section 34 shall be interpreted to satisfy the conditions of Section 33-515(3), Idaho Code.

SECTION 36. The provisions of Sections 6 and 7, Chapter 271, Sections 4 and 6, Chapter 272, and Sections 4, 5 and 6, Chapter 273, Laws of 2009, notwithstanding, any moneys received by the various school districts or charter schools for the purposes specified in those sections that remain unspent or unobligated at the end of fiscal year 2010, may be used for the period July 1, 2010, through June 30, 2011, at the discretion of the various school districts or charters schools according to guidance in the fiscal year 2011 Public Schools appropriation.

SECTION 37. An emergency existing therefor, which emergency is hereby declared to exist, Sections 1, 2, 3, 4, 34 and 35 of this act shall be in full force and effect on and after passage and approval.